

NEWS RELEASE

FOR IMMEDIATE RELEASE
JANUARY 6, 2000

CONTACT: GLENN BRIERE
(617) 727-6200, EXT. 123

DeNUCCI SAYS HEALTH CARE POOL FOR UNINSURED NEEDS BETTER OVERSIGHT

State Auditor Joe DeNucci said today that the \$300 million free health care pool for uninsured Massachusetts residents lacks sufficient oversight, increasing the potential for free care being provided to ineligible patients and incorrect state payments being made to participating hospitals and community health centers.

DeNucci's audit of the Uncompensated Care Pool disclosed that only one of 77 participating hospitals had been field audited by the state Division of Health Care Finance and Policy (DHCFP) and only three of 31 community health centers had been field reviewed. All acute care hospitals underwent a desk review, but DeNucci called for more detailed oversight.

"The state has a responsibility to make sure that funds from this important program are being used for uninsured and underinsured patients who are income-eligible," DeNucci said.

However, DeNucci commended the division for correcting several deficiencies identified in a prior audit of the pool by his office. DeNucci said DHCFP, after assuming responsibility for the pool in 1996, cleared up almost all delinquent payments by hospitals to the Uncompensated Care Pool. Steps have also been taken to ensure that hospitals making late payments are assessed surcharges and to eliminate the possibility of duplicate payments.

DHCFP officials indicated they agree with DeNucci's audit findings.

The Uncompensated Care Pool was established in 1985 to provide a more equitable distribution of the financial burden of free care and bad debt on acute care hospitals. The pool is funded by \$215 million in hospital assessments, \$100 million in surcharges on payers of hospital bills, and \$30 million from the state's federal reimbursements.

